



MOST organisations in Malaysia operate under the philosophy that mistakes by employees cannot be tolerated.

Mistakes are always viewed negatively, and managers and employees alike are conditioned into believing that mistakes are unproductive and a reflection of the inefficiency of an individual.

This mindset then permeates the organisation and becomes part of its informal culture. This, sadly, in the long term, will be to its own detriment.

As Peter Drucker says: "The better a man is, the more mistakes he will make, for the more new things he will try. I would never promote into a top-level job a man who was not making mistakes, otherwise he is sure to be mediocre."

The problem with mistakes is that we are all conditioned to accept it with negative connotations. We all have a tendency to avoid risks. Every time you try something new, there is always the risk of failing, as a certain amount of experimentation is required.

But, ironically, risk avoidance carries the worst risk any individual or organisation can take. It is the surest method of creating a "safe" organisation where creativity is stifled and conformity becomes the norm. In the long term, this can have dire consequences on the effectiveness of an organisation.

Implicit in any manager's job is the fact that they have to take risks. The level, type and number of risks will vary dependent on the nature of the manager's job. Personality tests have shown that top managers have become what they are because they show the greatest tendency to take risks.

In a recent article on leading Malaysian corporate figures in a local management publication, most cited their early business failures as significant lessons, which served as the basis for their later success. They were not averse to taking risks and accepted this as part and parcel of doing business and leading successful organisations.

The freedom of making mistakes does not, however, give managers the privilege of taking unwarranted risks. There must be certain parameters set to ensure that an individual doesn't go overboard.

The question therefore is: "What are acceptable risks, and when should risks be taken?" This is a difficult question as different industries and organisations may have different parameters.

And there is always the reality that the greater the risks, the greater the payoff.

One of the major steps that an organisation can take in order to promote risk-taking is to provide a conducive working environment that promotes and supports risk-taking.

This will have the effect of converting risk evaders into risk takers. This kind of environment also gives employees opportunities to learn from their mistakes with no fear of repercussions. There are several key guidelines for managers when trying to establish a healthy risk-taking work environment:

BE ACCOMMODATING

Encourage and build a climate where problems are accepted and mistakes acknowledged. Do not respond to a mistake with an immediate

scolding. Try to solve the problem, and more importantly, discuss how the mistake could be avoided in the future.

ACCEPT MISTAKES

Subordinates must be taught that errors are part of the cost of development. A mistake provides an excellent opportunity to learn and improve on whatever is being done. On the other hand, irrational and repeated mistakes should not be tolerated.

TOLERATE FAILURE

Many innovations and concepts are not successful initially. Persistence and the ability to deal with disappointment and failure are therefore essential. To learn from one's mistakes, one must be able to accept failure, analyse the reasons for the failure and then take the appropriate action.

As Akio Morita, the chairman of Sony, says: "When customers see our products, they only see success, they do not see the 99 per cent of failures that made that product possible."

DO NOT BE CONDITIONED BY PAST FAILURES

There is a tendency for managers to be conditioned by past mistakes and failures. This encourages conservatism and caution.

Past mistakes must be acknowledged and learned from. They must never be allowed to impede risk-taking options in the future.

Managing staff development by allowing them to take risks

and to make mistakes is a difficult managerial task. There is always the natural tendency to prefer taking the easier risk-free options.

Managers must however, break free from this "conditioned" mindset and believe in themselves. At the same time, this belief must be tempered by sound judgement.

Risk-taking can offer rich dividends, but at the same time can be disastrous if not managed well.

The present economic situation in Malaysia will demand that organisations take certain risk options. It is organisations that have a healthy risk-taking environment that will do well and survive. It will also be the better managers who will be able to weigh the consequences more effectively and subsequently take the "better" risk options.

As Bill Gates, the chief executive officer and chairman of Microsoft says: "How a company deals with mistakes suggests how well it will bring out the best ideas and talents of its people, and how effectively it will respond to change. When employees know that mistakes won't lead to retribution, it creates an atmosphere in which people are willing to come up with ideas and suggest changes. This is important to a company's long-term success."



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